

STATE OF MICHIGAN
 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
 PROCUREMENT
 P.O. BOX 30017, LANSING, MI 48909
 OR
 525 W. ALLEGAN, LANSING, MI 48933

NOTICE OF CONTRACT NO. 791B6600001
 between
THE STATE OF MICHIGAN, DEPARTMENT OF
AGRICULTURE AND RURAL DEVELOPMENT
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Parks Productions Ltd. 2250 Pontiac Road Auburn Hills, MI 48326-2457	Gary Van Hoose	garyvh@parkspro.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(248) 370-9200, Ext. 102	8455

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CONTRACT ADMINISTRATOR	MDARD	Cinda Karlik	(517) 284-5723	karlikc@michigan.gov
BUYER	MDARD	Carla McCarrick	(517) 284-5746	mccarrickc@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Administration of the Owners and Breeders Awards Program for the Michigan Department of Agriculture and Rural Development			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	October 1, 2015	November 15, 2018	Two 1 Year Options
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of solicitation #079115B0005147. Orders will be through the issuance of a Purchase Order.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$122,949.00; \$40,983.00 per State fiscal year	

For the Contractor:

Jane Leist,
Contract Administrator
Parks Productions Ltd.

Date

For the State:

Carla McCarrick,
Buyer
Michigan Department of Agriculture and Rural Development

Date

STATE OF MICHIGAN

CONTRACT NO. 791B6600001

Administration of the Owners and Breeders Awards Program
for the Michigan Department of Agriculture and Rural Development

STATEMENT OF WORK CONTRACT ACTIVITIES

This contract is for administration of the Owners and Breeders Awards Program for the Michigan Department of Agriculture and Rural Development (MDARD).

Background

The Horse Racing Law, Public Act 279 of 1995, as amended, authorizes payments to the breeders of Michigan-bred standardbred harness horses and owners and breeders of Michigan-bred thoroughbred horses.

The Standardbred Program pays breeders' awards in an amount not to exceed 10% of the gross purse to breeders of Michigan bred standardbred harness horses for each time the horse wins a race at a licensed race meeting or fair in this state. As used in this subdivision, "Michigan bred standardbred harness horse" means a horse from a mare owned by a resident or residents of this state at the time of conception, that was conceived after January 1, 1992, and sired by a standardbred stallion registered with the Michigan Department of Agriculture and Rural Development (MDARD) that was leased or owned by a resident or residents of this state and that did not serve a mare at a location outside of this state from February 1 through July 31 of the calendar year in which the conception occurred. To be eligible, each mare shall be registered with the MDARD. A foal that is born on or after January 1, 2002 of a mare owned by a nonresident of this state and that is conceived outside of this state from transported semen of a stallion registered with the MDARD is eligible for Michigan tax-supported races only if, in the year that the foal is conceived, the MDARD's agent for receiving funds as the holding agent for stakes and futurities is paid a transport fee as determined by the MDARD and administered by the Michigan harness horsemen's association.

The Thoroughbred Program awards payments to owners of Michigan bred horses that finish first, second, or third in races open to non-Michigan bred horses and breeders' awards in an amount not to exceed 10% of the gross purse to the breeders of Michigan bred thoroughbred horses for each time Michigan bred thoroughbred horses win at a licensed race meeting in this state. A sum not to exceed 0.25% of all money wagered on live and simulcast horse races in Michigan shall be placed in a special thoroughbred sire stakes fund each year, 100% of which shall be used to provide purses for races run exclusively for 2-year-old and 3-year-old and older Michigan sired thoroughbred horses at licensed thoroughbred race meetings in this state and awards for owners of Michigan sired horses or stallions. As used in this subdivision, "Michigan sired thoroughbred horses" means thoroughbred horses sired by a stallion registered with the MDARD that was leased or owned exclusively by a resident or residents of this state and that did not serve a mare at a location outside of this state during the calendar year in which the service occurred.

In addition to the Horse Racing Law, Public Act 279 of 1995, as amended, the rules promulgated under the Act's authority provide that:

- A breeders' award is not assignable and not inheritable.
- A breeders' award shall not be paid for races won after the date of death of the breeder or the dissolution of the business entity.
- A single Thoroughbred owner's award is limited to \$10,000.
- An award of up to 30% of the earned track purse may be paid to the owner of a Michigan-bred Thoroughbred horse that finishes first, second, or third in an eligible race.

The level of awards paid is contingent upon revenues generated by the Agriculture Equine Development Fund and legislative appropriations.

Requirements

In Scope

Contractor must provide services to administer the owners and breeders awards program under the direction of the MDARD in accordance with Public Act 279, Horse Racing Law of 1995, as amended, Regulation 808, Payment of Breeders Awards, and Regulation 810, Thoroughbred Breeders Awards and State Supplements, using the funds generated by the Agriculture Equine Development Fund and legislative appropriations.

Work and Deliverables

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

Contractor must obtain race results for all races that receive state funding for breeder and/or owner awards. Races will occur either at a race meet conducted at a licensed pari-mutuel race track or at a fair that has been approved by the director to conduct horse races. The MDARD shall designate annually which Standardbred horse races conducted at fairs and licensed pari-mutuel racetracks shall be eligible for state purse supplements.

Standardbred (harness) races that are at pari-mutuel race tracks, the tracks for Michigan include but are not limited to:

Hazel Park Racing Association, Inc. at Hazel Park Harness Raceway
Northville Downs at Northville Harness Raceway

Thoroughbred (flat) races are only conducted at licensed pari-mutuel racetracks, the tracks for Michigan include but are not limited to:

Northville Downs at Northville Harness Raceway
Hazel Park Racing Association, Inc. at Hazel Park Harness Raceway (Mixed breed and Thoroughbred)

Standardbred Program

1. The contractor will receive race results electronically from the program manager each month. These results are provided to the State of Michigan, MDARD on a monthly basis from the National Breed Association.
2. Verify that winning horse(s) are eligible for breeders' awards as a "Michigan bred Standardbred harness horse", using data provided by MDARD for registered mares and stallions.
3. Eligible breeder award recipient must be:
 - a. The owner of the mare at the time of conception.
 - b. Domiciled in Michigan at time of the winning horses' conception.
 - c. Properly registered to transact business in Michigan.
 - d. Verification of business entity(s) must be made with clerk's office of the county the business is located or with the Department of Energy, Labor and Economic Growth (DELEG).

As the current administrator of the Michigan Department of Agriculture and Rural Development (MDARD), Parks Productions, Ltd. is confident in our ability to accomplish each of the tasks listed above. As noted in the Project Plan section, Parks Productions will obtain updates to all of the data sources necessary for determining Standardbred and Breeder award eligibility prior to the start of the tracking program (MDARD file of registered mares and stallions, verified owners and breeders).

Once obtained, Parks Productions will implement data flow and project management processes for gathering Standardbred race results, and for determining breeder/owner award eligibility based on these results. As noted in the Project Plan section, the System Administrator will receive the necessary race results information from MDARD, process this information and determine eligible award recipients. Horse and award recipient eligibility will be determined via processing information provided by MDARD on a monthly basis. Eligible award records will be stored, and the owner/breeder verification will be performed as part of the award processing and monthly status report production.

Monthly award information will be used to populate the monthly status report, bi-annual and year-end reports, as well as the production of 1099s.

Thoroughbred Program

1. The contractor will receive race results electronically from the program manager each month. These results are provided to the State of Michigan, MDARD on a monthly basis from the National Breed Association.
2. **Breeder Award** - Verify that winning first place horse(s) is a "Michigan bred Thoroughbred horse(s)" using data provided by MDARD for registered foals, mares and stallions.
3. Eligible award recipient must be:
 - a. Owner of the mare at time of foaling.
 - b. Properly registered to transact business in Michigan.
 - c. Verification of business entity(s) must be made with clerk's office of the county the business is located or with the Department of Energy, Labor and Economic Growth (DELEG).
4. **Owner Award** – Verify that winning first, second and third place horse(s) is a "Michigan bred thoroughbred horse(s)" using the data provided by MDARD for registered foals, mares and stallions.
5. Eligible award recipient must be:
 - a. Owner of the winning "Michigan bred Thoroughbred horse", at the time of race.
 - b. Licensed as a Thoroughbred Owner with the Michigan Gaming Control Board at the time of the race.
 - c. Properly registered to transact business in Michigan.
 - d. Verification of business entity(s) must be made with clerk's office of the county the business is located or with the Department of Energy, Labor and Economic Growth (DELEG).

Parks Productions, Ltd. is confident in our ability to continue to accomplish each of the tasks listed above. As detailed in the Project Plan section, Parks Productions will continue to obtain and process all of the data sources necessary for determining Thoroughbred, Breeder and Owner award eligibility to administer the tracking program.

Once the race results are obtained from MDARD, Parks Productions will determine Thoroughbred breeder/owner award eligibility based on these results. As noted in the Project Plan section, the System Administrator will receive the necessary information from MDARD, process this information and use it to determine eligible award recipients. Horse and award recipient eligibility will be determined via the use of the information provided. Eligible award records will be stored, and the owner/breeder verification will be performed as part of the monthly award processing and status report production.

Monthly award information will be used to populate the monthly status reports, bi-annual and year-end reports, as well as the production of 1099s.

Awards Payments

1. Breeder and Owner Award Payments can only be made to the entity(s) listed on the official, final race results.
2. Internal Revenue Service (IRS) form W-9 must be on file with the contractor and available for review by MDARD, for each unique entity to be awarded a payment.
3. Contractor must provide MDARD with a "Monthly Status Report" detailing winners, eligible award recipients, and purse amounts from the first day of the month to the end of the month.
4. Upon MDARD approval of winners and eligible award recipients, MDARD will authorize the contractor to pay awards at a specified percentage and provide funding.
5. Contractor must issue 1099s and any other year end reporting requirements of the IRS and any other state and federal requirements.
6. At the end of each year any awards not claimed from the prior year must be escheated to the State of Michigan. Escheats requirements can be obtained from Michigan Department of Treasury – Unclaimed Property.

The MDARD will provide contractor with a list of Michigan registered Standardbred mares and stallions, and a list of Michigan registered Thoroughbred mares, stallions, and foals. MDARD will also provide the contractor with a listing or calendar of scheduled races for each race track or fair and a list of licensed Thoroughbred Owners from the Michigan Gaming Control Board. From these lists the contractor will determine:

1. If the winning Standardbred horses meet the requirements and definition of a "Michigan bred Standardbred harness horse,"
2. If the winning Thoroughbred horses meet the requirements and definition of a "Michigan bred Thoroughbred horse."
3. If the owner(s) of the winning horse(s) are eligible for an owner award by verifying that the owner(s) are licensed as a Thoroughbred Owner with the Michigan Gaming Control Board at the time of the race.

Parks Productions will continue to employ its awards tracking process to determine and administer the award payments portion of the Owners and Breeders Award Program.

The current award tracking system that Parks has developed accepts all of the information provided by MDARD (registered and eligible Standardbreds and Thoroughbreds, calendar of races, eligible owners). Once race results are received, the system will determine eligible owner and breeder payments based on these results and a pre-established payment formula.

This information is included in a Monthly Progress Report. This report will detail the eligible payout recipients and award amounts of verified owners and breeders. Upon MDARD approval of winners and eligible award recipients, Parks will pay awards at a specified percentage via a personalized MDARD-branded check. Note: Prior to the distribution of the check, Parks will obtain a completed W9 form from each eligible recipient.

The process will also combine the award amounts for each eligible recipient, and will use this information for the creation of individual 1099s at the end of the program year.

Finally, Parks will escheat any awards not claimed from the prior year to the State of Michigan.

An example of the process is included in the Project Plan section.

1.2 Transition

As defined in Section 25, Standard Contract Terms.

2. Acceptance

2.1 Acceptance, Inspection and Testing

Each deliverable will be considered complete when required reports have been received and approved by MDARD and as defined in Standard Contract Terms, Section 16, Acceptance.

3. Staffing

3.1 Contractor Representative

The Contractor must appoint an individual, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the "Contractor Representative").

The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Contractor Representative.

Gary Van Hoose, Parks Productions' Vice President of Sales and Marketing, will continue to serve as the Contractor Representative for the MDARD Owners and Breeders Awards Program. He will continue to be responsible for working with the project team to field and answer all contract-related questions. Gary brings over 35 years of experience in project management and execution to the project.

3.2 Customer Service Telephone Number

The Contractor must specify its telephone number for the State to make contact with the Contractor Representative. The Contractor Representative must be available for calls during the hours of 8 am to 5 pm EST.

The contractor representative's telephone number is 248-370-9200 ext. 102. He can be reached from 8 a.m. to 5 p.m. He can also be reached after hours at 248-342-2668.

3.3 Work Hours

The Contractor must provide Contract Activities during the State's normal working hours Monday – Friday 8:00 a.m. to 5:00 p.m. EST, and possible night and weekend hours depending on the requirements of the project.

3.4 Key Personnel

The Contractor must appoint individuals who will be directly responsible for the day-to-day operations of the Contract ("Key Personnel"). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 48 hours.

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms.

The Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological résumés.

PLEASE NOTE: Any key personnel within the Bidder's organization that is involved in the equine industry and is an owner or breeder of a Standardbred or Thoroughbred race horse that would be eligible to receive breeder's or owner's awards will be considered a conflict of interest.

The experienced Parks project team currently assigned to the MDARD Owners and Breeders Award Administration Program will continue to perform their same duties with the new project. Each member of our team has been involved from 2010, when the project evolved from a manual process to an electronic one, and are extremely familiar with all processes in place — along with familiarity with key personnel at MDARD and horse owners/organizations.

Heading the team will be John McCaffrey, Parks' Director of Information Management. John has developed the tracking and reporting components for all of Parks' previous and current award tracking projects, including the one currently being used for the MDARD award tracking project.

John will be dedicated to this project during its launch stage. The proprietary Award Tracking Program that John and our IT department developed for the activity will be redeployed for the new project. The program allows the System Administrator to:

- 1) Conduct system queries to determine Standardbred and Thoroughbred eligibility
- 2) Manage the receipt, processing and application of MDARD data files (list of registered Standardbreds and Thoroughbreds, race results, eligible breeders and licensed Thoroughbred owners)
- 3) Determine breeder/owner award eligibility and provide data used in the fulfillment of awards
- 4) Produce monthly, bi-annual and year-end reporting

John will also be responsible for monitoring the system once the program has been launched. He is a 25-year veteran of Parks Productions, Ltd., serving his entire tenure in his current department.

Jane Leist will continue to serve in the role of Systems Administrator for the project. Jane will be responsible for gathering all of the race results, verifying Standardbred and Thoroughbred eligibility via the award tracking system's query function, identifying and verifying breeder/owner eligibility and preparing monthly report and award files. Jane will also oversee award fulfillment, once approval is received from the MDARD.

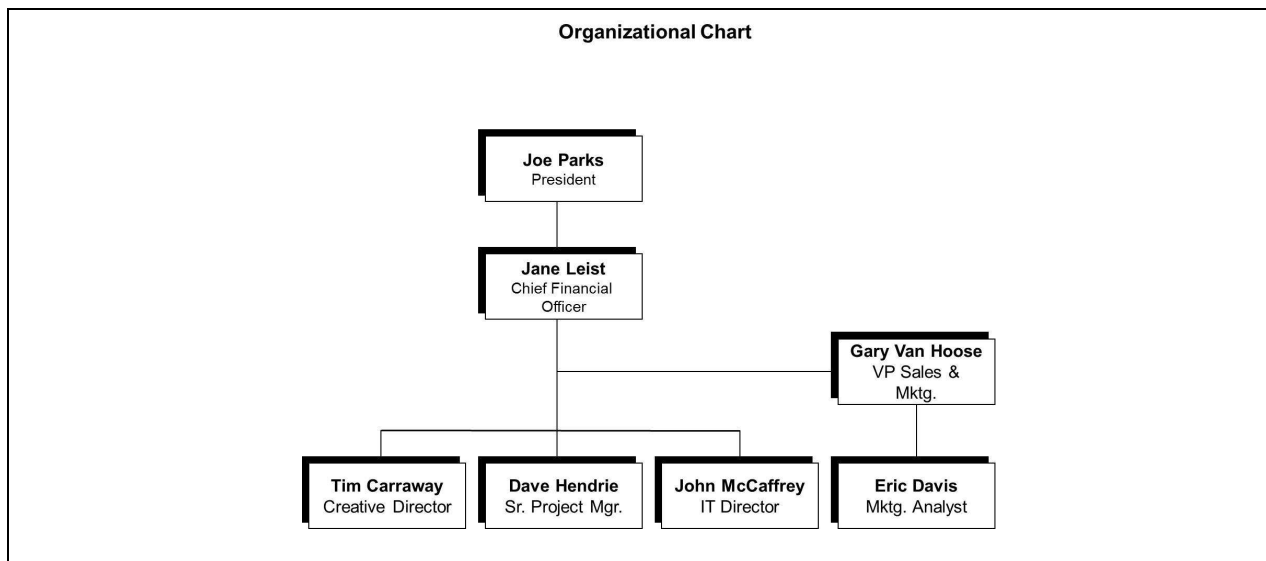
Assisting these two professionals will be senior project manager David Hendrie. Dave will continue to serve in his present capacity, which consists of serving as a liaison between the MDARD Awards Program personnel and the Parks' project team. Dave will also be responsible for producing all project/task timelines, and monitoring program progress against these timelines.

Finally, Dave will produce a weekly project status report for the contracting officer that will briefly recount the progress of the activity. Dave is a 22-year veteran of Parks Productions, serving his entire tenure in his present capacity.

Finally, the project team will report to Parks' senior management. The management team will review the project's status at its weekly staff meetings, and ensure that the project team is adhering to Parks' QOS standards for project implementation.

3.5 Organizational Chart

The Contractor must provide an overall organizational chart that details staff members, by name and title, and subcontractors.



3.6 Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

- The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
- The relationship of the subcontractor to the Contractor.
- Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.

- A complete description of the Contract Activities that will be performed or provided by the subcontractor.
- Of the total bid, the price of the subcontractor's work.

Parks Productions, Ltd. intends to perform all functions for the MDARD Owners and Breeders Award Reporting Project using internal resources and staff.

4. Project Management

4.1 Project Plan

Identify the project plan and how it will be managed, or ask Contractor to propose a project plan. Project plan should identify items such as the required contact personnel; the date the project plan must be submitted to the State; project management process; project breakdown identifying sub-projects, tasks, and resources required; expected frequency and mechanisms for updates/progress reviews; process for addressing issues/changes; and individuals responsible for receiving/reacting to the requested information.

The Contractor will carry out this project under the direction and control of the Program Manager. Within 30 calendar days of the Effective Date, the Contractor must submit a project plan to the Program Manager for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

Bidders must provide a proposed project plan that includes identifying methods, tools and processes proposed to oversee the project and a detailed work plan on how your organization will successfully complete this project. Include key personnel and how they will be assigned to this project.

In our 38 years of project planning and management, Parks Productions has extensive experience in seamlessly implementing and integrating the diverse components of a complex project plan.

To re-launch the new Owners and Breeders Award Program, Parks will meet with key MDARD Awards Program personnel in Lansing immediately following the award announcement for a Post-Award Conference.

At this meeting, Parks will discuss its current "best practices" for achieving the program's objectives, gather input from key personnel and discuss any program enhancements or improvements, as well as gather the data and other information necessary for implementing the project.

Included in this discussion will be the desired deliverable dates, discussion of current file layouts to receive and send data electronically, file updates, project deliverable processes and timelines and a review of the current eligible award approval process.

Following this meeting, this input will be used to guide the project team in crafting the overall strategy for re-implementing the project.

Our project team will consist of management and key support personnel from each of the major functional disciplines (IT, systems administration, project management) involved in the project. They will analyze the objectives and develop the specific recommendations for achieving these objectives — all within the confines of the overall integrated campaign. Following a review, the group will assemble a comprehensive implementation strategy. This strategy will include:

- 1) An explanation of each element of the project (infrastructure, process flow, project timing, review/approval process)
- 2) An implementation strategy for each element, including detailed timelines for completing the elements

Once developed, the plan will then serve as an overall guide for the MDARD Owners and Breeders Award Program. This plan will be shared with key MDARD Awards Program personnel.

Implementation of the Awards Program

Parks Productions will be a dedicated extension of the MDARD Owners and Breeders Awards Program staff. At no time is this role more evident than during the project implementation period.

Once the implementation strategy has been established and accepted, Parks will then assume the role of the production team — flawlessly completing all of the tasks that we are assigned for the project. Although the actual implementation strategy will incorporate input from the MDARD Awards Program team, Parks Productions anticipates the current Project Management process used to complete the program will be re-employed to administer the new project.

Assigned MDARD Awards Program personnel will send the necessary program files (eligible Standardbreds and Thoroughbreds, race schedules and licensed Thoroughbred owners and breeders) to Parks' Director of Information Management, in the file format currently specified and used to administer the program (the file can continue to be sent via Parks Productions' FTP site or via email, depending on the MDARD's preference).

The director will load the information into the Award Tracking Program developed to execute the project. This program will employ the information to populate the pre-determined fields in the system, which will be used to produce the monthly status, bi-annual and annual reports, as well as to complete the award fulfillment responsibilities.

The program will allow the System Administrator to perform the following functions in implementing the awards project:

- 1) Race Results — The current tracking program processes the race results provided by MDARD and alert the System Administrator of Standardbred and Thoroughbred races that have been completed and are ready for award processing
- 2) Standardbred and Thoroughbred Eligibility — The tracking program also allows the system administrator to use the race results to query winning Standardbred and Thoroughbred horses and determine their eligibility (eligibility is to be determined by the eligibility files provided by MDARD)
- 3) Breeder/Owner Identification — The current tracking program allows the System Administrator to identify the breeder and owner of the winning eligible Standardbreds or Thoroughbreds. The program will achieve this result by accessing the files of eligible breeders and owners, and aligning the breeders/owners with the winning Standardbred or Thoroughbred

The following is an example of how the System Administrator currently employs the Awards Tracking Program to process the results of typical race, and determine award eligibility.

Example of the Current System in Practice

The Award Tracking Program, which will incorporate race results received from MDARD, will alert the System Administrator of a completed Thoroughbred race at the Hazel Park Raceway Course.

The System Administrator will log onto the program and query the names of the Thoroughbreds who finished in the top three spots in each of the ten races.

Once a "match" occurs (the name of the winning horse matches the name/number of a winning Thoroughbred on the supplied MDARD file), the Award Tracking Program will present the System Administrator with an input screen and request the entering of the following data:

- 1) Date of the Race
- 2) Location of Race
- 3) Place of Winning Horse
- 4) Gross Purse Award

Note: The Award Tracking Program populates this file with the licensed owner and breeder name (obtained from MDARD). Once this information is entered, the record is placed into an Award Eligibility file for future processing.

Award Eligibility Processing and Monthly Reports

All award eligibility records entered for the month will then need to be processed prior to being submitted to the MDARD as part of the Monthly Status Report.

As part of this process, the Award Tracking Program will append all Award Eligible records with breeder and owner information obtained from the MDARD (owner at the time of foaling; domiciled in Michigan; registered to transact business in Michigan).

The system administrator will also verify the business entity of each eligible breeder/owner with the DELEG database, and input this additional information into the individual record (individual partnership; DBA; Domestic Liability Corporation; Syndicate; etc.) for use in the report.

This information will then be forwarded to the MDARD for review and approval in the form of the Monthly Status Report. Once approved, the MDARD will authorize Parks Productions to pay the awards at a specified percentage and provide funding.

4.2 Meetings

The Contractor must attend the following meetings: within 14 business days of the Effective Date of the execution of the Blanket Purchase Order an in-person meeting and monthly conference calls for project updates (may be reduced by MDARD). The State may request other meetings, as it deems appropriate.

4.3 Reporting

Contractor will provide the following reports:

1. **Monthly Status Report** is due to MDARD by the 15th day of the month subsequent to the month of racing.

- The Monthly Status Report must include:
 - a. The date of the race,
 - b. The location of the race (racetrack or fair),
 - c. Name(s) of the winning horse(s),
 - d. Place of winning horse(s) (1st/win, 2nd/place, 3rd/show) and designation if dead heat
 - e. Award Recipient(s) (i.e., breeder and/or owner),
 - f. Description and status of the award recipient's business entity as follows:
 - 1) Individual(s)
 - 2) Partnership, to include if Joint Tenant
 - 3) Assumed Name (doing business as/dba)
 - 4) Domestic Limited Liability Company
 - 5) Domestic Corporation
 - 6) Syndicate
 - g. Gross Purse Amount and eligible purse.
- Monthly Excel spreadsheet containing breeder, winning horse's name, date of the win, name of the track where the race was won and the amount of the gross purse.

Sample:

Monthly Status Report

Date Of Race	Location of Race	Name of Winning Horse	Jockey Club Reg. #	Place of Winning Horse	Award Recipient	Description of Status	Gross Purse
9/11/10	Pinnacle	Tons of Roses	0837317	1st/Win	Norman Richards	Individual	\$6,000
9/11/10	Pinnacle	Sweet Girl	0836331	3 rd /Show	Shane Spiess	Individual	\$6,000
9/11/10	Pinnacle	Egalitarian	0731101	2 nd /Place	James Jackson	Individual	\$6,300
9/11/10	Pinnacle	Ima Promise	0830010	3 rd /Show	Al Talsma	Domestic Corp.	\$6,300

Actual Monthly Status Reports

Breeder Award Monthly Status Report - April 2015



Track Name	Race Day	Race	Finish	Earned	Purse	% of Gross Purse	Breeder Award Payment	AREA	Horse	Breeders
Northville Downs	4/3/2015	1		\$1,617	\$3,300				BANKING ON SPIRAL	Thomas Laier - MI, Kim Laier - MI
		2		\$1,617	\$3,300				CHASING CONNOR	Oscar Sievert - MI
		3		\$1,813	\$3,700				ALADY FOR SURE	
		4		\$1,813	\$3,700				HOME ON THE BEACH	
		5		\$2,205	\$4,500				TAFFY TOWNE	
		6		\$1,911	\$3,900				KAYLA GRACE	Starwin Farm
		7		\$2,205	\$4,500				BENNS CLEAROUT	Bennett Farms Inc Of MI
		8		\$4,214	\$8,600				STEVIE DIAMONDS	Gordon Rains - MI, Steve Main - MI
		9		\$2,205	\$4,500				FOUR BOYS	
		10		\$3,185	\$6,500				PACIFIC WINE	
		11		\$2,156	\$4,400				LANDSDOWNE ROAD	
		12		\$1,617	\$3,300				REIDIO STAR	Bonley Farm Inc - MI

4/3/2015 Gross Purse: \$54,200.00

Sum of Eligible Purses Won by MI Bred: \$26,900.00

BREEDER	HORSE	DATE	TRACK	GROSS PURSE
Bennett Farms Inc Of Mi	BENNS CLEAROUT	03-Apr-15	Nor	\$4,500.00
Bernardi, Elpidio Jr.	SURE THING	29-Apr-15	Nor	\$3,300.00
Blaseyski, Ziatko	PRVO	18-Apr-15	Nor	\$3,900.00
Bonley Farm	KAITLYN RAE	24-Apr-15	Nor	\$5,800.00
Bonley Farm	REIDIO STAR	03-Apr-15	Nor	\$3,300.00
Dobson, Rick Arthur	SON OF J LO	30-Apr-15	Nor	\$3,200.00
Duffey, Steven and Julie	S F DONTTELLONME	11-Apr-15	Nor	\$7,500.00
Duffey, Steven and Julie	S F DONTTELLONME	18-Apr-15	Nor	\$8,500.00
Duffey, Steven and Julie	S F DONTTELLONME	25-Apr-15	Nor	\$17,500.00
E C S Racing LLC - MI, Starwin Farm - MI	NATURAL FORCES	11-Apr-15	Nor	\$8,600.00
Gardner Farms LLC and Holly and Greg Gardner	CADILLAC KID	10-Apr-15	Nor	\$3,300.00
Gardner Farms LLC and Holly and Greg Gardner	EYE OF A TIGER	17-Apr-15	Nor	\$3,300.00
Gardner Farms, LLC	HOWDY PARTNER	18-Apr-15	Nor	\$3,300.00
Gardner, Gregory C & Jeri J	BABYS CHUMP CHANGE	30-Apr-15	Nor	\$4,400.00
Greengard, Karen G.	THEN CAME YOU	24-Apr-15	Nor	\$3,300.00
James Lynwood Jackson	TOO SHY	10-Apr-15	Nor	\$3,900.00
Jeg's Standardbreds Inc	TOMMY TWO SHOES	30-Apr-15	Nor	\$5,800.00
Laier, Thomas & Kim	BANKING ON SPIRAL	03-Apr-15	Nor	\$3,300.00
Laier, Thomas & Kim	CHELSEA RAY	25-Apr-15	Nor	\$3,900.00
Lemmer, Jeff	PC'S WILDCARD	11-Apr-15	Nor	\$5,300.00
Malady, Gerald	PEYTON'S TROUBADOR	11-Apr-15	Nor	\$3,300.00
Moen Stables Inc - MI	MILWAUKEE RAY	04-Apr-15	Nor	\$3,300.00
Oldfield Farm	BLUEPRINT	11-Apr-15	Nor	\$3,900.00
Rains, Gordon C & Main, Steve M	STEVIE DIAMONDS	03-Apr-15	Nor	\$8,600.00
Rains, Gordon C & Main, Steve M	STEVIE DIAMONDS	25-Apr-15	Nor	\$8,600.00
Sievert, Oscar	CHASING CONNOR	03-Apr-15	Nor	\$3,300.00
Starwin Farm	JUSTA COWBOY	25-Apr-15	Nor	\$3,300.00
Starwin Farm	KAYLA GRACE	03-Apr-15	Nor	\$3,900.00
Starwin Farm	KAYLA GRACE	10-Apr-15	Nor	\$4,500.00

2. **Breeder Award Payments Report** is due to MDARD twice a year, on May 15th and on November 15th. The May 15th report is for the award recipients from races run October 1st of the previous year through March 31st. The November 15th report is for award recipients from races run April 1st through September 30th, and for award recipients from races run October 1st through March 31st that have an additional award percentage due. The Breeder Award Payments Report must include:
- The date of the race
 - The location of the race (racetrack or fair),
 - Name(s) of the winning horse(s),
 - Place of winning horse(s) (1st/win) and designation if dead heat
 - Award Recipient(s) (i.e., breeder and/or owner),
 - Gross Purse Amount for each race,
 - Breeder award amount and percent (%) of gross purse amount for each race,
 - Total amount of the award(s) per award recipient,
 - The specific check number(s) and corresponding payment date(s).

Sample:

Breeder Award Payment Reports

Date Of Race	Location of Race	Name of Winning Horse	Jockey Club Reg. #	Place of Win. Horse	Award Recipient	Gross Purse	Breeder Amount	Total
9/11/10	Pinnacle	Pass the Loot	0837418	1 st /Win	Carl Holmes	\$6,000	\$250	--
9/11/10	Pinnacle	Cashier Ready	0736234	1 st /Win		\$6,300	\$270	--
								\$520

Check #: 00932212
Date Issued: 10/31/2010

Date Of Race	Location of Race	Name of Winning Horse	Jockey Club Reg. #	Place of Win. Horse	Award Recipient	Gross Purse	Breeder Amount	Total
9/04/10	Pinnacle	Al's Factor	0857622	1 st /Win	Peyton Powers	\$6,000	\$250	--
9/11/10	Pinnacle	El Cheque	0835432	1 st /Win		\$7,100	\$335	--

Check #: 00212112
Date Issued: 10/31/2010

Actual Breeder Award Reports

Breeder Award Payment Report

Thoroughbred Race Dates October 2014 - March 2015



Track Name	Race Day	Race	Finish	Gross Purse	% of Gross Purse	Breeder Award Payment	Horse	Breeders
0213	AWARDEE: Boik, Daniel & Renee							
Hazel Park	10/31/2014	2	1	\$7,700	10.00%	\$770.00	Sheza Riot	Daniel Boik & Renee Boik

GRAND TOTAL Gross Purse: \$7,700.00

Batch	check no.	check Date	Amount
121	2593	5/20/2015	\$770.00 <input type="checkbox"/>

Sum of Breeder Award Payments: \$770.00

0029	AWARDEE: Brown, R Sidney							
Hazel Park	10/11/2014	6	1	\$13,230	10.00%	\$1,323.00	Thirty Six Equal	R. S. Brown

GRAND TOTAL Gross Purse: \$13,230.00

Batch	check no.	check Date	Amount
121	2594	5/20/2015	\$1,323.00 <input type="checkbox"/>

Sum of Breeder Award Payments: \$1,323.00

0002	AWARDEE: Campbell Stables, LLC							
Hazel Park	10/25/2014	4	1	\$13,700	10.00%	\$1,370.00	Don't Stop Me	Campbell Stable

3. **Owner Award Payments Report** is due to MDARD once a year, on November 15th, for the owner award recipients from races run October 1st of the previous year through September 30th. The Owner Award Payments Report must include:
- The date of the race
 - The location of the race (racetrack or fair),
 - Name(s) of the winning horse(s),
 - Place of winning horse(s) (1st/win, 2nd/place, 3rd/show) and designation if dead heat
 - Award Recipient(s) (i.e., owner),
 - Gross Purse Amount for each race,
 - Owner award amount and percent (%) of gross purse amount for each race,
 - Total amount of the award(s) per award recipient,
 - The specific check number(s) and corresponding payment date(s).

Sample:

Owners Award Payment Reports

Date Of Race	Location of Race	Name of Winning Horse	Jockey Club Reg. #	Place of Win. Horse	Award Recipient	Gross Purse	Breeder Amount	Total
9/11/10	Pinnacle	Tons of Roses	0837317	2 nd Place	Norman Richards	\$6,000	\$250	--
9/11/10	Pinnacle	Cashier Ready	0736234	1 st Win		\$6,300	\$270	--
								\$520

Check #: 00962266
Date Issued: 10/31/2010

Date Of Race	Location of Race	Name of Winning Horse	Jockey Club Reg. #	Place of Win. Horse	Award Recipient	Gross Purse	Breeder Amount	Total
9/04/10	Pinnacle	Zio Sam	0837322	3 rd Show	Ronald Inman	\$6,000	\$250	--
9/11/10	Pinnacle	El Cheque	0835432	1 st Win		\$7,100	\$510	--
								\$760

Check #: 00972113
Date Issued: 10/31/2010

Actual Owners Award Reports

2014 STALLION OWNERS AWARDS

STALLION	POINTS	OWNER
Baptistry	1	Carol Rettele
Creative	1	Todd & Carol Weddon
Daylight Savings	2	Judy Campbell
Demaloot Demashoot	1	Marilyn McMaster
Elusive Hour	7	Charlie J. Williams
Equality	18	Equality Syndicate
Equiforce	2	Jim Tucker
Fire Blitz	5	Campbell Stable, LLC
Gainango	4	Daniel J. Sturgeon II & Julie Sturgeon
Jacodra	1	Kristine M. Kaufeld DVM
Man From Eldorado	3	Marilyn McMaster
Meadow Prayer	9	Deborah Arnold-Miley
Native Factor	3	Deborah Arnold-Miley
Perfect Circle	4	Shane M. Spiess
Quiet Enjoyment	2	Dar Howard
Silent Era	2	Joseph A. Lewis & Diane R. Lewis
Sky Approval	2	Denis Cluley & Cathie Cluley
Strong Cat	3	Kristine M. Kaufeld DVM
Syncline	2	Marilyn McMaster
Urban Warrior	4	Daniel J. Sturgeon II & Julie Sturgeon
Total Points		76

STALLIONS WHO LEFT THE STATE:

Beau Classic	2
Comedy Show	3
Secret Romeo	3
Service Stripe	6
The Deputy (IRE)	12
Wind Chill	1
Total Points:	27

\$53856.00 / 76 points= \$708.63

4. **Year End Reports** are due to MDARD as follows:
 - a. A summary of 1099s issued to award recipients by February 15th of the year subsequent to the reporting period.
 - b. A summary of the breeder award payments for the reporting period by November 30th. This report must include:
 - 1) Award Recipient
 - 2) Total Amount of the award payments per award recipient
 - 3) The check number(s) and corresponding payment date(s)
 - 4) Disposition of any payment issues such as uncashed checks, undeliverable checks, deceased award recipients, etc.
 - 5) A narrative report that at minimum must contain:
 - a) A discussion of the issues that arose regarding the goals, objectives and implementation of the project to include suggestions for changes and improvements to the process.

- b) Financial summary as compared to the budget submitted. The summary must include a reconciliation of actual expenses incurred and payments awarded during the reporting period.
- 6) At the end of each year any awards not claimed from the prior year must be escheated to the State of Michigan. Escheats requirements can be obtained from Michigan Department of Treasury – Unclaimed Property.

Sample:

Year End Reports				
Award Recipients	Total Amount	Check Number/Payment Dates		Disposition
Carl Wethers	\$900	00972113	04/30/10	Cashed: 05/15/10
		01022128	06/30/10	Cashed: 07/17/10
		01102123	09/30/10	Cashed: 10/22/10
Martin Sands	\$2,215	00612543	03/30/10	Cashed: 04/11/10
		00811273	05/31/10	Cashed: 06/12/10
		00108212	07/31/10	Cashed: 08/14/10
		00124321	12/31/10	Uncashed

Parks Productions is confident that we can and will continue to produce the required reports for the MDARD Owners and Breeders Awards Program

5. Ordering

5.1 Authorizing Document

The appropriate authorizing document for the Contract will be a purchase order.

6. Invoice and Payment

6.1 Invoice Requirements

See Standard Contract Terms, Section 20.

All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) detailed description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price. Overtime, holiday pay, and travel expenses will not be paid.

6.2 Payment Methods

The State will make payment for Contract by direct voucher.



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("**Contract**") is agreed to between the State of Michigan (the "**State**") and Parks Productions Ltd. ("**Contractor**"), a Michigan corporation. This Contract is effective on October 1, 2015 ("**Effective Date**"), and unless terminated, expires on November 15, 2018.

This Contract may be renewed for up to two additional one year option year periods. Renewal must be by written agreement of the parties and will automatically extend the Term of this Contract.

The parties agree as follows:

- 1. Duties of Contractor.** Contractor must perform the services and provide the deliverables described in the **Statement of Work** (the "**Contract Activities**") for the Administration of the Owners and Breeders Awards Program for the Michigan Department of Agriculture and Rural Development. An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Exhibit A.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State's operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State's quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

- 2. Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Carla McCarrick, Buyer Michigan Department of Agriculture and Rural Development PO Box 30017, 525 W. Allegan Street Lansing, MI 48909 mccarrickc@michigan.gov (517) 284-5746	Gary Van Hoose 2250 Pontiac Road Auburn Hills, MI 48326-2457 garyvh@parkspro.com (248) 370-9200, Ext. 102

3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms and conditions of this Contract (each a “**Contract Administrator**”):

State:	Contractor:
Cinda Karlik Michigan Department of Agriculture and Rural Development PO Box 30017, 525 W. Allegan Street Lansing, MI 48909 karlikc@michigan.gov (517) 284-5723	Jane Leist 2250 Pontiac Road Auburn Hills, MI 48326-2457 janel@parkspro.com (248) 370-9200, Ext. 103

4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a “**Program Manager**”):

State:	I Contractor:
Cinda Karlik Michigan Department of Agriculture and Rural Development PO Box 30017, 525 W. Allegan Street Lansing, MI 48909 karlikc@michigan.gov (517) 284-5723	Gary Van Hoose 2250 Pontiac Road Auburn Hills, MI 48326-2457 garyvh@parkspro.com (248) 370-9200, Ext. 102

5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Exhibit A) if, in the opinion of the State, it will ensure performance of the Contract.
6. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$250,000 Each Occurrence Limit \$250,000 Personal & Advertising Injury Limit \$500,000 General Aggregate Limit \$500,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	
Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u>	

\$100,000 Each Accident \$100,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Crime Insurance	
<u>Minimal Limits:</u> \$1,000,000 Employee Theft Per Loss	Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as Loss Payees.
Professional Liability (Errors and Omissions) Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate <u>Deductible Maximum:</u> \$50,000 Per Loss	

If any of the required policies provide **claim-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

7. **Reserved.**

8. **Reserved.**

9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.

10. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
11. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
12. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
13. **Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Contract.
14. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

15. **Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Exhibit A.
16. **Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Exhibit A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 23, Termination for Cause.
Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.
If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

17. **Reserved.**

18. **Reserved.**

19. Reserved.

- 20. Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

- 21. Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Exhibit A.
- 22. Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.
- 23. Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

- 24. Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

25. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

26. General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

27. Infringement Remedies. If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

28. Limitation of Liability. The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.

29. Disclosure of Litigation, or Other Proceeding. Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

30. Reserved.

31. State Data.

- a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.
- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Exhibit A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Exhibit A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- e. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and, (h) provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. This Section survives the termination of this Contract.

32. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.
- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor’s responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State’s Confidential Information in confidence. At the State’s request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party’s possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

33. Data Privacy and Information Security.

- a. Undertaking by Contractor. Without limiting Contractor’s obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor’s data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.

- b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- c. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

34. **Reserved.**

35. **Reserved.**

36. **Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

37. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

38. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

39. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.

40. Reserved.

- 41. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
- 42. Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 43. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
- 44. Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
- 45. Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
- 46. Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.
- Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.
- 47. Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
- 48. Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
- 49. Order of Precedence.** In the event of a conflict between the terms and conditions of the Contract, the exhibits, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) the amendment; (c) Exhibit A; (d) any other exhibits; and (e) the Contract.
- 50. Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
- 51. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.

52. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
53. **Entire Contract and Modification.** This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a “**Contract Change Notice**”).

STATE OF MICHIGAN

CONTRACT NO. **791B6600001**

Administration of the Owners and Breeders Awards Program
for the Michigan Department of Agriculture and Rural Development

PRICING

1. This is a fixed price contract for \$40,983.00 per State fiscal year beginning October 1, 2015 for the duration of this contract.
2. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
3. The Contractor is encouraged to offer quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.
4. The Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.